

Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 L-03 FRB-01 OMB-01 ITC-01 SP-02
USIA-15 AGRE-00 AID-05 CIAE-00 COME-00 INR-07
IO-14 LAB-04 NSAE-00 OIC-02 SIL-01 STR-05 TRSE-00
CEA-01 SS-15 AF-10 ARA-14 EA-12 EUR-12 NEA-10
ABF-01 /145 W

-----043946 030725Z /14

R 021931Z DEC 77

FM USMISSION GENEVA
TO SECSTATE WASHDC 3693
INFO UNCTAD COLLECTIVE
USINT BAGHDAD
AMEMBASSY BEIRUT
AMEMBASSY DJIBOUTI
AMEMBASSY MOGADISCIO

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E.O. 11652: N/A

TAGS: UNCTAD, ETRD

SUBJECT: GROUP B STATEMENT AT FINAL PLENARY OF COMMON
FUND NEGOTIATING CONFERENCE

FOLLOWING IS TEXT OF GROUP B STATEMENT DELIVERED DURING
THE FINAL SESSION OF THE COMMON FUND NEGOTIATING
CONFERENCE, WHICH WAS SUSPENDED DECEMBER 1:

"GROUP B STATEMENT, PLENARY: 1 DECEMBER, 1977:

1. MR. CHAIRMAN, THE DISTINGUISHED AMBASSADOR OF
YUGOSLAVIA HAS JUST MADE AN IMPORTANT STATEMENT, ON
BEHALF OF THE GROUP OF 77, TO WHICH WE HAVE ALL, I AM
SURE, LISTENED CAREFULLY.

2. IN THE NAME OF THE GROUP OF 77 AMBASSADOR LALOVIC
HAS REQUESTED THAT THIS SESSION OF THE CONFERENCE BE
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SUSPENDED.

3. GROUP B ACCEDES TO THAT REQUEST, BUT IT DOES SO
WITH REGRET.

4. WITH REGRET, MR. CHAIRMAN, ON THREE MAIN GROUNDS:

FIRSTLY, BECAUSE FOR THE MOMENT THE OPPORTUNITY OF MAKING A MAJOR STEP FORWARD IN THESE NEGOTIATIONS FOR THE ESTABLISHMENT OF THE COMMON FUND HAS BEEN LOST;

SECONDLY, BECAUSE ALL COUNTRIES REGARD THESE NEGOTIATIONS AS OF PRIME IMPORTANCE IN THE IMPLEMENTATION OF THE IPC; AND, THIRDLY, BECAUSE WE CAME TO THIS CONFERENCE DETERMINED TO HONOUR THE COMMITMENT, GIVEN AT THE CIEC IN PARIS IN JUNE OF THIS YEAR, TO ESTABLISH A COMMON FUND TO SERVE AS A KEY INSTRUMENT IN ATTAINING THE AGREED OBJECTIVES OF THE IPC AS EMBODIED IN UNCTAD RESOLUTION 93 (IV).

5. AT THE OUTSET OF THIS SESSION OF THE CONFERENCE GROUP B TABLED A POSITIVE AND CONSTRUCTIVE PROPOSAL FOR A COMMON FUND IN KEEPING WITH THAT COMMITMENT GIVEN IN PARIS.

6. WE EXPLAINED, MR. CHAIRMAN, THAT OUR PROPOSAL CONTAINS TWO NEW AND KEY ELEMENTS. FIRST IT HAS, AS A CENTRAL FEATURE, A MAJOR NEW COMMITMENT BY GROUP B GOVERNMENTS -- AND THAT IS A READINESS IN OUR CAPACITY AS MEMBERS OF ICAS TO PLACE AT THE DISPOSAL OF THOSE UNCLASSIFIED

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AGREEMENTS PART OF OUR BORROWING CAPABILITY. SECOND, WE HAVE PROPOSED THAT WE SHOULD REACH AGREEMENT IN THE CONTEXT OF THESE NEGOTIATIONS ON THE COMMON FUND ON THE JOINT RESPONSIBILITIES OF PRODUCERS AND CONSUMERS FOR THE FINANCING OF BUFFER STOCKS WITHIN THE FRAMEWORK OF ICAS.

7. OUR STATEMENTS IN THE PLENARY SESSION OF THIS CONFERENCE, THE COMMITTEE OF THE WHOLE AND WHAT WE HAVE SAID IN LESS FORMAL NEGOTIATING GROUPS HAVE SHOWN CLEARLY OUR FLEXIBILITY ON MANY ISSUES.

8. IT HAS BEEN SUGGESTED, MR. CHAIRMAN, THAT NOTHING HAS BEEN ACHIEVED IN OUR WORK TOGETHER OVER THE LAST FEW WEEKS. WE DO NOT SHARE THAT VIEW. MY OWN CONTACTS, FORMAL AND INFORMAL, WITH OUR NEGOTIATING PARTNERS IN OTHER GROUPS, HAVE ENCOURAGED ME TO BELIEVE THAT SOME REAL PROGRESS HAS BEEN MADE TOWARDS CLOSER MUTUAL UNDERSTANDING. I SUBMIT THAT THE IMPORTANCE OF THE PROPOSAL WE MADE AT THE OUTSET IS REFLECTED IN THE DEGREE OF AGREEMENT WHICH HAS EMERGED SO FAR.

9. FIRST, I BELIEVE THAT WE HAVE ALL COME INCREASING-
LY TO RECOGNIZE THAT THE ELEMENTS OF ANY CONSENSUS ON
THE SUBSTANCE OF THE FUND MUST BE INTERDEPENDENT -- THEY
WILL STAND OR FALL TOGETHER AS PART OF A PACKAGE WHICH
MUST INVOLVE MOVEMENT ON ALL SIDES. SECOND, WE HAVE MADE
A START IN IDENTIFYING THE ELEMENTS WHICH COULD FORM PART
OF SUCH A PACKAGE. A SATISFACTORY SETTLEMENT ON THE
FINANCIAL STRUCTURE OF THE FUND, AND ON THE ISSUE OF
OTHER MEASURES, IS CLEARLY FUNDAMENTAL. BUT IN ADDITION
I THINK WE ARE ALREADY AGREED THAT:

A. A COMMITMENT ON THE JOINT RESPONSIBILITY

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B. THE FUND WILL REQUIRE SUBSTANTIAL CASH
DEPOSITS (WHICH WE HAVE PROPOSED SHOULD BE
FROM ICAS) AS THE BASIS FOR ITS OPERATIONS;

C. THE FUND SHOULD HAVE THE CAPABILITY FOR

SUBSTANTIAL BORROWING ON THE MARKET, CONSISTENT WITH THE FINANCIAL VIABILITY BOTH OF THE ICAS AND OF THE COMMON FUND ITSELF.

10. IN IDENTIFYING THESE ELEMENTS OF POTENTIAL CONSENSUS, WE IN NO WAY DESIRE TO IGNORE OR GLOSS OVER UNCLASSIFIED

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THE ISSUES ON WHICH THERE REMAIN MAJOR DIFFERENCES BETWEEN US. IT WOULD NOT I BELIEVE BE HELPFUL, MR. CHAIRMAN, - NOR WOULD IT CONTRIBUTE TOWARDS THE RESUMPTION OF PRODUCTIVE NEGOTIATIONS - TO REPEAT HERE IN DETAIL WHAT HAS ALREADY BEEN SAID IN NEGOTIATION ON BEHALF OF GROUP B ON THESE KEY ISSUES. BUT I WOULD LIKE TO MAKE TWO GENERAL COMMENTS. ON OTHER MEASURES, WE HAVE CONSISTENTLY SAID THAT OUR MINDS ARE NOT CLOSED; AND WE HAVE MADE CLEAR THAT WE WOULD BE PREPARED TO CONSIDER A ROLE FOR THE FUND IN THIS AREA PROVIDING WE CAN AGREE TOGETHER ON ITS BROAD OVERALL OBJECTIVES AND MODALITIES. CONCERNING GOVERNMENT CONTRIBUTIONS, WE ARE ALL AGREED THAT THE FUND WILL-IN ONEWAY OR ANOTHER-RECEIVE SUBSTANTIAL FINANCIAL SUPPORT FROM GOVERNMENTS; THE ISSUE IS THE CHANNEL THROUGH WHICH THAT SUPPORT SHOULD COME - AND WHETHER THE PRIME RESPONSIBILITY FOR BUFFER STOCK FINANCING SHOULD REST, AS GROUP B FIRMLY BELIEVE, ON THE PRODUCING AND CONSUMING COUNTRIES CONCERNED.

11. IT HAS ALWAYS BEEN OUR BELIEF, MR. CHAIRMAN, THAT THESE DIFFERENCES CAN ONLY BE RESOLVED THROUGH NEGOTIATIONS. WE HAD HOPED TO BUILD IN THE PRESENT NEGOTIATING SESSION ON THE ELEMENTS OF CONSENSUS TO WHICH I HAVE REFERRED, AND SO TO PROVIDE AN AGREED TEXT WHICH WOULD HAVE BEEN A STIMULUS AND A FRAMEWORK FOR OUR FUTURE WORK. WE REGRET THAT THIS HAS NOT BEEN POSSIBLE.

12. IT IS NO SECRET, MR. CHAIRMAN, THAT THERE IS A RANGE OF VIEWS WITHIN GROUP B, INCLUDING VIEWS CLOSELY ALIGNED TO THOSE OF THE GROUP OF 77. NOTHING I HAVE SAID TODAY IN ANY WAY PREJUDICES EXISTING NATIONAL POSITIONS, WHICH ARE ON PUBLIC RECORD. BUT WE ALL RECOGNIZE THE NEED TO ACHIEVE CONSENSUS WITHIN GROUPS AS WELL AS BETWEEN GROUPS; AND THAT SUCH CONSENSUS IS ESSENTIAL FOR THE CREATION OF AN EFFECTIVE COMMON FUND.

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13. GROUP B, FOR ITS PART, MR. CHAIRMAN, HAS ALWAYS BEEN READY AND WILLING TO NEGOTIATE. ALL OUR GOVERNMENTS WILL NEED A PERIOD FOR REFLECTION IN THE LIGHT OF THE POSITIONS TAKEN UP IN THE COURSE OF OUR WORK AT THIS SESSION. BUT FOR OUR PART, GROUP B REMAINS READY TO CONTINUE THESE NEGOTIATIONS AS SOON AS ALL GROUPS CAN AGREE TO DO SO. AND WE ASSURE YOU, MR. CHAIRMAN, THAT IN THE MEANTIME WE SHALL PRESS WORK AHEAD WITHIN OUR GROUP ON THE OUTSTANDING ISSUES BEFORE US IN THIS CONFERENCE. WE ALL RECOGNISE THE IMPORTANCE IN THE BROADER CONTEXT OF THE NORTH-SOUTH DIALOGUE OF OUR COMMON EFFORTS TO ESTABLISH A VIABLE ORGANISATION ABLE TO PLAY A USEFUL ROLE IN INTERNATIONAL COMMODITY TRADE.

14. FINALLY, MR. CHAIRMAN, I WOULD LIKE TO EXPRESS TO YOU PERSONALLY MY THANKS - AND THOSE OF GROUP B AS A WHOLE - FOR THE EFFORTS WHICH YOU HAVE MADE, ESPECIALLY DURING THE LAST FEW DAYS, TO TRY TO ENSURE THAT THERE WOULD BE A FRUITFUL OUTCOME TO THIS SESSION. MOREOVER, MR. CHAIRMAN, AS MOST PEOPLE HERE KNOW ALREADY, YOU WILL SHORTLY BE LEAVING GENEVA TO RETURN TO YOUR OWN COUNTRY TO ASSUME AN IMPORTANT FINANCIAL POST. YOU WILL TAKE WITH YOU OUR VERY BEST WISHES FOR YOUR SUCCESS IN THAT NEW ASSIGNMENT." VANDEN HEUVEL

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Message Attributes

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